

HOUSE BILL No. 1286

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-32.2; IC 4-36; IC 35-45-5-12.

Synopsis: Gaming in taverns. Withdraws the authorization provided by HEA 1153-2008 for winner take all drawings conducted by qualified organizations. Replaces the authorization in HEA 1153-2008 for raffles and winner take all drawings in taverns with authorization to conduct qualified drawings. Specifies the manner in which qualified drawings may be conducted.

Effective: July 1, 2009.

Van Haaften

January 13, 2009, read first time and referred to Committee on Public Policy.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1286

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-32.2-1-1, AS AMENDED BY P.L.95-2008,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]: Sec. 1. (a) This article applies only to a qualified
4 organization.

5 (b) This article applies only to the following approved gambling
6 events conducted as fundraising activities by qualified organizations:

7 (1) Bingo events, charity game nights, door prize events, raffle
8 events, festivals, and other gaming events approved by the
9 commission.

10 (2) The sale of pull tabs, punchboards, and tip boards:

11 (A) at bingo events, charity game nights, door prize events,
12 raffle events, and festivals conducted by qualified
13 organizations; or

14 (B) at any time on the premises owned or leased by a qualified
15 organization and regularly used for the activities of the
16 qualified organization.

17 This article does not apply to any other sale of pull tabs,

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punchboards, and tip boards.

(c) This article does not apply to a promotion offer subject to IC 24-8.

(d) This article does not apply to the following:

(1) A type II gambling game authorized by IC 4-36.

(2) A raffle or other gambling game qualified drawing authorized by IC 4-36-5-1(b).

SECTION 2. IC 4-32.2-1-2, AS AMENDED BY P.L.95-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. ~~Except as provided in IC 4-32.2-4-13(e),~~ The purpose of this article is to permit a licensed qualified organization:

(1) to conduct allowable events; and

(2) to sell pull tabs, punchboards, and tip boards;

as a fundraising activity for lawful purposes of the organization.

SECTION 3. IC 4-32.2-4-13, AS AMENDED BY P.L.95-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) A bingo license or special bingo license may also authorize a qualified organization to conduct raffle events and door prize drawings and sell pull tabs, punchboards, and tip boards at the bingo event.

(b) A charity game night license may also authorize a qualified organization to:

(1) conduct raffle events and door prize drawings; and

(2) sell pull tabs, punchboards, and tip boards;

at the charity game night.

(c) A raffle license or an annual raffle license may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the raffle event.

(d) A door prize license or an annual door prize license may also authorize a qualified organization to conduct a raffle event and to sell pull tabs, punchboards, and tip boards at the door prize event.

~~(e) A PPT license may also authorize a qualified organization to conduct at any time on the premises described in section 16.5(b) of this chapter a winner take all drawing in which the qualified organization retains no portion of the amounts wagered. The total amount awarded to a patron who participates in a winner take all drawing may not exceed three hundred dollars (\$300).~~

SECTION 4. IC 4-36-2-9, AS ADDED BY P.L.95-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. "Gross receipts" means the total amount of money exchanged for the purchase of raffle tickets, pull tabs, punchboards, and tip boards by type II gaming patrons. The term does not include

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any amount wagered on a ~~winner take all~~ **qualified** drawing conducted by a retailer under ~~IC 4-36-5-1(b)(2)~~. **IC 4-36-5-1(b).**

SECTION 5. IC 4-36-2-15.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 15.5. "Qualified drawing" means a random drawing to award one (1) or more prizes that is conducted in the manner required by IC 4-36-5-1(c).**

SECTION 6. IC 4-36-4-6, AS ADDED BY P.L.95-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 6.** (a) For the purposes of subsection (c), a retailer's adjusted gross revenue is an amount equal to the difference between:

(1) the retailer's total gross revenue from the retailer's type II gambling operations in the preceding year; minus

(2) the sum of any amounts deducted under subsection (b) in the preceding year.

(b) To determine the amount of a retailer's adjusted gross revenue from the retailer's type II gambling operations in the preceding year under subsection (a), the retailer shall subtract the following from the retailer's gross receipts:

(1) An amount equal to the total value of the prizes awarded in **type II gambling games** in the preceding year.

(2) The sum of the purchase prices paid for type II gambling games dispensed in the retailer's type II gambling operation in the preceding year.

(3) An amount equal to the amount of license fees paid by the retailer in the preceding year.

(c) The license fee that is charged to a retailer that renews the endorsement must be based on the adjusted gross revenue from the retailer's type II gambling operations in the preceding year, according to the following schedule:

Class	Adjusted Gross Revenues		Fee
	At Least	But Less Than	
A	\$ 0	\$ 15,000	\$ 50
B	\$ 15,000	\$ 25,000	\$ 100
C	\$ 25,000	\$ 50,000	\$ 300
D	\$ 50,000	\$ 75,000	\$ 400
E	\$ 75,000	\$ 100,000	\$ 700
F	\$ 100,000	\$ 150,000	\$ 1,000
G	\$ 150,000	\$ 200,000	\$ 1,500
H	\$ 200,000	\$ 250,000	\$ 1,800
I	\$ 250,000	\$ 300,000	\$ 2,500
J	\$ 300,000	\$ 400,000	\$ 3,250



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1	K	\$ 400,000	\$ 500,000	\$ 5,000
2	L	\$ 500,000	\$ 750,000	\$ 6,750
3	M	\$ 750,000	\$ 1,000,000	\$ 9,000
4	N	\$ 1,000,000	\$ 1,250,000	\$ 11,000
5	O	\$ 1,250,000	\$ 1,500,000	\$ 13,000
6	P	\$ 1,500,000	\$ 1,750,000	\$ 15,000
7	Q	\$ 1,750,000	\$ 2,000,000	\$ 17,000
8	R	\$ 2,000,000	\$ 2,250,000	\$ 19,000
9	S	\$ 2,250,000	\$ 2,500,000	\$ 21,000
10	T	\$ 2,500,000	\$ 3,000,000	\$ 24,000
11	U	\$ 3,000,000		\$ 26,000

12 SECTION 7. IC 4-36-5-1, AS ADDED BY P.L.95-2008, SECTION
 13 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 14 2009]: Sec. 1. (a) A retailer may offer the sale of type II gambling
 15 games in accordance with this article.

16 (b) A retailer's endorsement also authorizes a retailer to conduct the
 17 following gambling games on the premises of the retailer's tavern:

18 (1) Raffles in which the retailer retains the proceeds of the raffle
 19 drawing.

20 (2) Winner take all drawings in which the retailer retains no
 21 portion of the amounts wagered.

22 (c) The total amount awarded to:

23 (1) patrons who participate in a raffle permitted under subsection
 24 (b)(1); or

25 (2) a patron who participates in a winner take all drawing
 26 permitted under subsection (b)(2);

27 may not exceed three hundred dollars (\$300).

28 (b) A retailer's endorsement also authorizes a retailer to
 29 conduct qualified drawings on the premises of the retailer's tavern.
 30 A qualified drawing must be conducted in the manner required by
 31 this section.

32 (c) A qualified drawing is subject to the following rules and
 33 limitations:

34 (1) The purchase price for a chance to win a prize in a
 35 qualified drawing may not exceed five dollars (\$5).

36 (2) All tickets that a retailer sells in a qualified drawing must
 37 have been purchased by the retailer from a licensed
 38 distributor.

39 (3) The total value of all prizes that may be won in a
 40 particular qualified drawing may not exceed three hundred
 41 dollars (\$300) for any of the following:

42 (A) A daily drawing.

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- 1 (B) A weekly drawing.
 2 (C) A monthly drawing.
 3 (4) A qualified drawing must be conducted in accordance with
 4 the following limitations:
 5 (A) Not more than one (1) daily drawing may be conducted
 6 each day.
 7 (B) Not more than one (1) weekly drawing may be
 8 conducted each week.
 9 (C) Not more than one (1) monthly drawing may be
 10 conducted each month.
 11 A weekly or monthly drawing may be conducted on the same
 12 day that a daily drawing is conducted.
 13 (5) Except as otherwise provided in this section, a patron must
 14 be present to claim a prize awarded in a qualified drawing.
 15 (6) A retailer may not profit from conducting a qualified
 16 drawing.
 17 (7) All amounts wagered on qualified drawings must be
 18 returned to a retailer's patrons in the form of prizes.
 19 (8) A retailer may not conduct a qualified drawing or any
 20 other event in which the winner of the prize is determined, in
 21 whole or in part, by a sporting event.
 22 (9) A retailer must conspicuously display the following
 23 information concerning each qualified drawing conducted by
 24 the retailer:
 25 (A) The price of a ticket.
 26 (B) The time of the drawing.
 27 (C) The description and value of the prizes awarded in the
 28 drawing.
 29 (D) The manner in which a prize may be claimed.
 30 (d) A prize may be awarded under subsection (e) to a patron
 31 who is not present at the time of the qualified drawing if the patron
 32 provides the patron's name, address, and telephone number to the
 33 retailer before the drawing to enable the retailer to award the prize
 34 to the patron at a later time. If the winning patron has not
 35 provided the information required by this subsection to the retailer
 36 before the drawing, the retailer must continue drawing tickets in
 37 the qualified drawing until there is a winner who:
 38 (1) is present to claim the prize; or
 39 (2) has provided the information required by this subsection
 40 to enable the retailer to award the prize to the patron under
 41 subsection (e).
 42 (e) When the winning patron is not present to claim a prize but

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has provided the information required by subsection (d) to the retailer, the retailer shall award the prize in the following manner:

(1) The retailer shall immediately notify the winning patron by telephone that the patron's name was drawn in a qualified drawing and that the patron has seventy-two (72) hours from the time of the telephone notification to claim the prize.

(2) The winning patron must appear at the retailer's premises within seventy-two (72) hours to claim the prize in person.

(3) The retailer shall verify the identity of the winning patron and award the prize.

(f) If a winning patron fails to claim a prize in the manner required by subsection (e), the retailer shall carry the prize over to a later qualified drawing as follows:

(1) An unclaimed prize from a daily drawing must be carried over to the next daily drawing.

(2) An unclaimed prize from a weekly drawing must be carried over to the next weekly drawing.

(3) An unclaimed prize from a monthly drawing must be carried over to the next monthly drawing.

SECTION 8. IC 4-36-5-2, AS ADDED BY P.L.95-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) A type II gambling game may be sold under this article only on the premises of the retailer's tavern.

(b) Type II gambling games ~~raffles, and winner take all and~~ **qualified** drawings may not be offered in any part of the retailer's licensed premises in which a minor may be present under IC 7.1-5-7-11(a)(16).

SECTION 9. IC 4-36-5-6, AS ADDED BY P.L.95-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) Except as provided in subsection (b), a type II gambling game must pay out at least seventy-five percent (75%) and not more than one hundred percent (100%) of the amount wagered.

(b) This subsection applies only to a type II gambling game ticket that is sold for less than one dollar (\$1). A type II gambling game subject to this subsection must comply with the following minimum payout percentages:

Purchase Price	Minimum Payout Percentage
\$0.10	60%
\$0.25	65%
Three (3) tickets for one dollar (\$1)	65%
\$0.50	70%

(c) A type II gambling game's ~~pay out~~ **payout** percentage must be

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1 stated on the ticket or on the accompanying flare.

2 SECTION 10. IC 4-36-7-4, AS ADDED BY P.L.95-2008,
3 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2009]: Sec. 4. (a) The state police department shall, at the
5 request of the commission, provide the following:

6 (1) Assistance in obtaining criminal history information relevant
7 to investigations required for honest, secure, **and** exemplary
8 operations under this article.

9 (2) Any other assistance requested by the executive director and
10 agreed to by the superintendent of the state police department.

11 (b) Any other state agency, including the Indiana gaming
12 commission and the Indiana professional licensing agency, shall upon
13 request provide the commission with information relevant to an
14 investigation conducted under this article.

15 SECTION 11. IC 4-36-9-1, AS ADDED BY P.L.95-2008,
16 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2009]: Sec. 1. **(a)** An excise tax is imposed on the distribution
18 of type II gambling games in the amount of ten percent (10%) of the
19 price paid by the retailer that purchases the type II gambling games.

20 **(b) The excise tax imposed by this section does not apply to the**
21 **distribution of tickets used in qualified drawings.**

22 SECTION 12. IC 35-45-5-12, AS ADDED BY P.L.95-2008,
23 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2009]: Sec. 12. This chapter does not apply to the following
25 gambling games licensed or authorized under IC 4-36:

26 ~~(1) Raffles.~~

27 ~~(2) Winner take all~~ **(1) Qualified** drawings.

28 ~~(3) (2)~~ **(2)** Type II gambling games.

29 SECTION 13. THE FOLLOWING ARE REPEALED [EFFECTIVE
30 JULY 1, 2009]: IC 4-32.2-6-0.5; IC 4-36-2-16.

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